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FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 8504
INFO RUEHAC/AMEMBASSY ASUNCION 5704
RUEHBO/AMEMBASSY BOGOTA 2974
RUEHBR/AMEMBASSY BRASILIA 6853
RUEHBU/AMEMBASSY BUENOS AIRES 4083
RUEHCV/AMEMBASSY CARACAS 1404
RUEHPE/AMEMBASSY LIMA 1328
RUEHMN/AMEMBASSY MONTEVIDEO 3654
RUEHSG/AMEMBASSY SANTIAGO 8565
RUEHC/DEPT OF AGRICULTURE WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEHC/DEPT OF LABOR WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS LA PAZ 000769

SIPDIS

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STATE FOR WHA/AND
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TAGS: [ETRD](#) [EAGR](#) [EINV](#) [ECON](#) [PGOV](#) [PREL](#) [USTR](#) [BL](#)
SUBJECT: COLOMBIAN AMBASSADOR SAYS BOLIVIAN SOY PRODUCERS
GAME A RIGGED SYSTEM

REF: A. LA PAZ 712

[1](#)B. LA PAZ 734

[1](#)1. (SBU) Summary: Colombia's Ambassador to Bolivia, Edgar Papamija, met with Ambassador Greenlee March 17 to express concern that Bolivian government officials had inaccurately spun President Uribe's recent message about the FTA (ref A), and to receive a read-out of Greenlee's meeting with President Morales (ref B). The Colombian Ambassador noted that his own investigations of the soy issue had led him to conclude that Bolivian producers, far from threatened by the FTA, simply wished to avert losing a lucrative (i.e., rigged) business facilitated by their preferential access to Colombian markets. Based on the private and public comments of Bolivia's soy producers, we suspect the Colombian Ambassador is correct. End Summary.

[1](#)2. (SBU) At his request, Colombia's Ambassador to Bolivia, Edgar Papamija, met with Ambassador Greenlee March 17. Papamija was concerned about the Bolivian government's public messages following President Uribe's March 14 meeting with President Morales and following Ambassador Greenlee's meeting with Morales on March 17 (refs A and B). He reiterated that Uribe had unambiguously declared that the FTA with the U.S. was concluded, while also (for diplomatic purposes) expressing a willingness to support any effort initiated by the Government of Bolivia that found flexibility on the U.S. side. Morales had publicly spun Uribe's words to signify Colombia's supposed willingness to negotiate with the U.S. at Bolivia's side, which Papamija emphasized was not the case.

[1](#)3. (SBU) Ambassador Greenlee reassured his Colombian counterpart that President Morales had received Uribe's firm message loud and clear, and that that message had prompted Morales to seek an urgent meeting with us. He stated that official talking points for his meeting with Morales had also emphasized that the FTA was a done deal, that the ATPDEA would not likely be extended, and that negotiating an FTA with Bolivia would depend on the GOB's interest, political commitment and cooperation on counternarcotics. Ambassador Greenlee noted that the GOB would probably send a high-level

delegation to the U.S. to discuss the soy issue within the month.

¶4. (SBU) Ambassador Papamija then explained that, as a relative newcomer, he had initially accepted at face value the argument that preferential access to Colombia's soy market was critical for the survival of Bolivia's soy industry. After looking into the issue in greater depth, however, he had found that Bolivian soy production costs were relatively low, and that Bolivian producers appeared to be gaming their preferential access to the Colombian market to ensure that their soy was always sold just below the price of competing product from countries lacking such access. He further noted that Bolivian soy was sold in the Venezuelan market for significantly less than it fetched in Colombia, and that this fact disturbed Colombian leaders including President Uribe. He speculated that Bolivian soy producers were up in arms about the prospective loss of preferential access to the Colombian market not because they suspected it would do them in but because it would end a rigged system that was exceedingly lucrative for them.

¶5. (SBU) Comment: In earlier meetings with Embassy officials, Bolivian soy producers acknowledged that the largest among them could probably compete in an open Colombian market. In recent press statements, the Bolivian soy producers association stated that the industry could significantly improve its efficiency within the next year. We suspect the Colombian Ambassador has much of the truth on his side: more than markets, Bolivian profits are at stake.
GREENLEE